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1. Since there was no trade agreement between Bulgaria and Eastern Germany in 1947 and 1948, the Bulgarian Trade Mission in Berlin had something of a private character; no member of the Mission had a clear idea of what he was supposed to do, or how to do it. Members were apt to purchase anything in order to justify their existence, even though the item purchased might not have been needed at all, or was less essential than another commodity. This condition continued until 1949.
2. Items were purchased through either BAMA (Deutsche Aussenhandel) or direct from manufacturers. Bulgaria was short of foreign exchange, and in order to obtain the necessary East marks to pay for Bulgarian purchases, we sold fruit, tobacco, and grapes on the open market; also certain members of the Mission sold Bulgarian cigarettes on the black market.
3. The first trade agreement between East Germany and Bulgaria was for the calendar year 1949. Total trade provided for in this and subsequent agreements was as follows:

|           |              |              |
|-----------|--------------|--------------|
| 1949..... | \$ 3,000,000 | (each way)   |
| 1950..... | 6,000,000    | "            |
| 1951..... | 12,000,000   | "            |
| 1952..... | 20,000,000   | " (proposed) |

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4. Values in the 1949 and 1950 Trade Agreements were expressed in dollars. When the 1951 Agreement was negotiated, calculations were made in terms of dollars; subsequently the dollar values were changed to rubles at the rate of four rubles to the dollar. The first Bulgarian orders placed under this agreement were expressed in dollar values, but after a few months the Bulgarian import agencies began to order commodities in ruble values. The 1952 Agreement will be expressed only in ruble values. It is my opinion that this change was effected solely for political reasons. Balances remaining at the end of the year were not cleared but were carried forward to the succeeding year.

5. The commodities covered in the various agreements have not varied much from year to year, with the possible exception of heavy industrial machinery, [redacted]

6. East Germany usually imports the following items from Bulgaria: tobacco, fruit, vegetables, and to a smaller degree, rose oil, raisins, eggs and chickens.

7. The 1952 Agreement between the GDR and Bulgaria will probably include the following East German exports, listed in [redacted] consider to be the order of importance to Bulgaria (these items may also be considered as typical GDR exports to Bulgaria under past trade agreements):

(a) Machinery: cement plant machinery, electric motors, refrigeration units.

(b) Chemicals: 50 different kinds.

(c) Paper: newsprint (1,000,000 rubles); finished paper products including printing paper, note-pads, stationery.

(d) Photographic Equipment: film, photographic printing paper, commercial film, projectors (to be used in the villages for showing of propaganda films).

(e) Miscellaneous items including:

(1) Textile needles of all kinds and textile machinery spare parts.

(2) Perlite (Bulgaria wants to import this from East Germany, but the latter does not have enough for export, so Bulgaria will probably get very little.)

(3) Floodlights suitable for night harvesting.

(4) Razor blades, bicycles, watches, porcelain, drafting sets, compasses.

8. In 1950 Bulgaria ordered a 60,000 spindle spinning mill from the GDR. Delivery was completed in 1951. [redacted] This transaction is discussed more fully [redacted]

9. Until 1952, Bulgarian-GDR Trade Agreements provided for the export to Bulgaria of fertilizer. This item is to be omitted from the 1952 Agreement since Bulgaria has completed construction of a plant for production of nitrogenous fertilizer.

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